## **OMNIBUS TRADE BILL/Environmental Side Agreements**

SUBJECT: African Growth and Opportunity Act...H.R. 434. Roth motion to table the Hollings amendment No. 2483 to the Roth/Moynihan substitute amendment No. 2325.

## **ACTION: MOTION TO TABLE AGREED TO, 57-40**

SYNOPSIS: As introduced, H.R. 434, the African Growth and Opportunity Act, will expand trade with the 48 Sub-Saharan African (SSA) nations by making qualifying SSA nations eligible for enhanced benefits under the Generalized System of Preferences (GSP) program, by giving qualifying SSA nations duty-free and quota-free access to the United States for certain apparel products, by creating a Trade and Economic Cooperation Forum between the United States and SSA countries, and by directing the President to begin plans for implementing a United States-SSA free trade area.

The Roth/Moynihan substitute amendment would enact the Trade and Development Act. The substitute: would include provisions similar to the House provisions to expand trade with SSA countries; would reauthorize the expired GSP program, which grants the President the authority to provide duty-free treatment to imports of eligible articles from designated countries; would reauthorize the expired Trade Adjustment Assistance (TAA) programs, which provide assistance to workers adversely affected by import competition; and would enact the United States-Caribbean Basin Trade Enhancement Act, which would expand the Caribbean Basin Initiative (CBI) by providing additional tariff preferences on a number of products not previously covered.

The Hollings amendment would add that the benefits made available by this Act would not be made available to any country until the President had negotiated with that country a side agreement concerning the environment similar to the environmental side agreement to the North American Free Trade Agreement (NAFTA).

Debate was limited by unanimous consent. After debate, Senator Roth moved to table the Hollings amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

(See other side)							
YEAS (57)			NAYS (40)			NOT VOTING (2)	
Republicans Democrats (48 or 92%) (9 or 20%)		Republicans	Democrats		Republicans	Democrats	
		(9 or 20%)	(4 or 8%)	(36 or 80%)		(2)	(0)
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Cochran Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grassley Hagel Hatch	Hutchinson Hutchison Inhofe Jeffords Kyl Lott Lugar Mack McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Specter Stevens Thomas Thompson Voinovich Warner	Baucus Breaux Dodd Graham Kerrey Landrieu Lieberman Lincoln Moynihan	Collins Helms Snowe Thurmond	Akaka Bayh Biden Bingaman Boxer Bryan Byrd Cleland Conrad Daschle Dorgan Durbin Edwards Feingold Feinstein Harkin Hollings Inouye	Johnson Kennedy Kerry Kohl Lautenberg Leahy Levin Mikulski Murray Reed Reid Robb Rockefeller Sarbanes Schumer Torricelli Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other  SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

VOTE NO. 347 NOVEMBER 2, 1999

## **Those favoring** the motion to table contended:

The Hollings amendment would attempt to impose environmental standards on African and CBI nations that are beyond those nations' present ability to meet, and it would try to enforce those standards using sanctions, which experience has already proven does not work. This amendment would cause a delay in investment as individual agreements were negotiated with each SSA and CBI country, but it would not help the environment. Researchers have consistently found that environmental degradation begins to decline once a country reachers a threshold of approximately \$8,000 in per capita income. However, the average per capita income for the SSA countries is only \$490. That number is inflated because a few of the countries, such as South Africa, have incomes as high as \$9,385. CBI nations have higher incomes, but they are still well below \$8,000 in per capita income. We cannot and should not expect a country that is desperately trying to raise its citizens out of abject poverty to adopt the environmental standards of developed nations. People need to have a standard of living before they can accept costly environmental regulations that will give them a lower standard of living as a trade off for a cleaner environment.

Our colleagues have said that the environmental side agreement that was negotiated with NAFTA is the kind of agreement that they wish to negotiate with each SSA country. Why? California is currently being challenged under that agreement by a Canadian company because California has banned a gasoline additive made in Canada. That additive lessens pollution when gasoline is burned, but it spreads rapidly through the ground if it leaks from storage tanks. The complaint against California is that it has leaking tanks in violation of the law. Twenty cases alleging failure to enforce environmental laws, eight against Canada, eight against Mexico, and four against the United States, have been brought so far to NAFTA's Commission on Environmental Cooperation. One case against Mexico was to stop a pier from being built near a coral reef. The case made it all the way through the bureaucracy set up to resolve disputes. By the time a decision was reached (against Mexico) the pier had already been built. A paper victory was achieved, but the pier will remain in use. Mexico's environmental laws are as strict or stricter than the United States', but it does not have the will or the ability to enforce them. Soon it will--the per capita income in Mexico is up to \$4,000. For now, though, we have an agreement that allows Canada, the United States, and Mexico to challenge each other's laws, and decisions from those challenges will be enforced by Canada and the United States but not by Mexico. Basically, the NAFTA side agreement infringes on United States sovereignty and does nothing to improve Mexico's environment.

Though the punitive approach to improving Mexico's environment has been predictably failing, the cooperative approach has been succeeding. Bilateral efforts, including the guaranteeing of loans for environmental improvement projects, has led to improvements. Similar efforts can and should be taken with respect to African nations. We urge our colleagues to support such a cooperative approach with Africa rather than the punitive approach favored by this amendment. This amendment should be tabled.

## **Those opposing** the motion to table contended:

NAFTA has brought severe environmental problems to Mexico. American plants have shut down and relocated across the border so they can make products more cheaply, both by exploiting Mexican workers and by ignoring costly environmental requirements. However, there are legal avenues that can be pursued to stop them from polluting in Mexico, thanks to a side agreement that was negotiated on NAFTA. Using that agreement, plaintiffs were recently able to prove that the Mexican government violated its own laws when it underestimated the environmental threat that a proposed pier posed to a nearby coral reef. As one representative of a Mexican group that brought the case put it, the decision was "an enormous victory for international environmental rights." If we do not require similar side agreements with the SSA countries and with the CBI countries, it will be impossible to win such victories. The Hollings amendment would require environmental side agreements. We urge our colleagues to support this amendment.